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Fargo Clearing House Association

By-laws... including amendments, Oct. 1899

Fargo

1899

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BY-LAWS

OF THE

Fargo

go Clearing House

ASSOCIATION,

INCLUDING AMENDMENTS.

OCTOBER 1899.

PRESIDENT,
J. W. VON NEIDA.

SECRETARY AND MANAGER,
H. W. GEAREY.

INCORPORATED 1899.

FARGO.

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INSTRUCTIONS OF ATTORNE

1. As to changes in the Articles Association: They will only have lega effect after a certificate thereof, unde the seal of the corporation, shall have been filed in the office of the Secretary of State and recorded in the office of the Register of Deeds.

2. Whenever trustees, managers, directors shall be elected, a certific under the seal of the corporation, giv the names of those elected, and the t of their office, must be recorded in office of the Register of Deeds.

3. Upon filing any vacancy, a like certificate must be recorded.

MISSING
PAGE(S)

BY-LAWS

Responsibility of Members for Moneys in the Hands of the Manager in Settlement of Balances.

Section 1. This Association shall be in nowise responsible in regard to the exchanges, nor in regard to the balances resulting therefrom, except so far as such balances shall be actually paid into the hands of the Manager. The responsibility of the Association is strictly limited to the faithful distribution by the Manager among the creditor banks, for the time being, of the sums actually received by him; and should any loss occur while the said balances are in the custody of the Manager, it shall be borne and paid by the associated members pro rata, according to their daily average of the exchanges sent to the Clearing House for the preceding three months.

ANNUAL MEETING AND ELECTION OF OFFICERS.

Sec. 2. The annual meeting of the Association shall be held at 3:30 P. M., on the third Tuesday in January of each year, at which meeting any business pertaining to the Association may be transacted, and the Directors, officers, committees and Manager of the Association shall be elected by ballot, and a majority of a quorum shall determine the result.

SPECIAL MEETINGS.

Sec. 3. Special meetings shall be called by the President whenever he may deem it necessary, or whenever requested in writing by three members of the Association.

QUORUM, HOW CONSTITUTED.

Sec. 4. At all meetings of the Association a quorum for the transaction of business shall consist of a majority of the whole number of the associated members. A tie shall be considered a negative vote.

MEMBERS, HOW REPRESENTED.

Sec. 5. Each member of the Association shall be represented at all meetings thereof by one or more duly authorized persons, and shall be entitled to one vote.

DIRECTORS TO BE ELECTED ANNUALLY, AND THEIR DUTIES.

Sec. 6. There shall be four Directors elected annually from among the members of the Association, who shall hold their office until their successors are chosen and qualified. They shall attend to all matters pertaining to the corporate existence of the Association.

OFFICERS, HOW SELECTED.

Sec. 7. The officers of the Association shall consist of a President and Vice-President, who shall be selected from among the Directors of the Association, and shall hold their offices until their successors are chosen and qualified.

DUTIES OF OFFICERS.

Sec. 8. The President, and in his absence, the Vice-President, shall pre-

side at all meetings of the Association; he shall call meetings of the Association whenever, in his opinion, the interests of the Association may require it, or whenever requested to do so by the Clearing House Committee.

DUTIES OF MANAGER; HIS SALARY AND BOND.

Sec. 9. The Manager, under the control of the Clearing House Committee, shall have immediate charge of all business at the Clearing House, so far as it relates to the manner in which it shall be transacted; he shall have the supervision of the settling clerks and messengers sent to the Clearing House by members of the Association, who, while at the Clearing House, shall be under his control; he shall act as Treasurer and Secretary of the Association. As Treasurer he shall have charge of the funds belonging to the Association, and pay out the same on the order of the Clearing House Committee, and keep a correct account of all moneys received and paid out on account of the Association, and

shall submit a detailed statement of the same at the annual meeting, or whenever requested by the Clearing House Committee. As Secretary he shall keep correct minutes of the proceedings of the Association in a book provided for that purpose. He shall report to the Clearing House Committee any violation of the Charter or By-Laws, or other irregularities on the part of any member of the Association, so far as the same shall come to his knowledge. He shall hold his office until the next annual election, unless suspended by the Clearing House Committee, or removed by the Association.

CLEARING HOUSE COMMITTEE, DUTIES OF SAME—ASSESSMENT FOR ANNUAL EXPENSES, AND HOW COLLECTED—HOW VACANCIES IN OFFICES SHALL BE FILLED—EXAMINATION OF THE AFFAIRS OF MEMBERS—SUSPENDING MEMBERS—ESTABLISHING A SCALE OF FINES.

Sec. 10. At every Annual meeting a Standing Committee of four members

shall be appointed by the President, consisting of one representative from each Associated Bank, and to be called the Clearing House Committee, whose duty it shall be to procure, from time to time, a suitable room or rooms for the use of the Clearing House; to provide all necessary articles for the convenient transaction of business thereat; to appoint such clerks as may be necessary; to establish rules and regulations to be observed at the Clearing House in cases not provided for in these articles, subject to the approval of the Association, and generally to supervise the Clearing House affairs.

This Committee shall determine the assessment of each member for its quota of expenses in accordance with the requirements of these By-Laws, and the Treasurer shall collect the same; it shall order paid all bills by drawing on the Treasurer for the same, and shall also, at the first annual meeting of the Association after their election, submit detailed estimates of the expenditures that will

be required for the Clearing House during the current year. They shall hear and determine all disputes between members of the Association that shall be submitted to them by the parties thereto. Such committee shall record a brief abstract of each case referred to them, with their decision on the same, in a book provided for that purpose, which book shall be kept at the Clearing House, open to the inspection of the members of the Association.

Vacancies occurring in the offices or committees shall be filled by the Association, one week's notice to be given of the election. The Clearing House Committee shall have power to suspend the Manager or any clerk, whenever in their opinion the interests of the Association shall require it, and, in the event of a suspension, shall report the same immediately to the Association.

They shall make examination of the affairs of any member of the Association, when in their opinion advisable; they shall have power, in case of extreme

emergency (to be determined by the Committee), to suspend any member from the privileges of the Clearing House until the pleasure of the Association can be ascertained; but no such examination or suspension shall take place unless a majority, at least, of the Committee shall be present at the ordering thereof, nor unless the vote be unanimous. If any member of the Committee is connected with a bank or firm which it is proposed to examine or suspend, he shall not in such case act or vote with said Committee. In case of suspension, the Clearing House Committee shall forthwith call a meeting of the Association, to take the matter into consideration.

They shall establish a scale of fines for errors, disorderly conduct or other irregularities, the same to be enforced and collected by the Manager.

Expelling or Suspending Members.

Sec. 11. For cause deemed sufficient by the Association, at any meeting, any member may be expelled or suspended

from the privileges of the Clearing House, provided three-fourths of the members of the Associatiou vote by ballot in favor thereof.

Hours for Making Clearings.

Sec. 12. The hours for making exchanges at the Clearing House shall be eleven (11) o'clock A. M. precisely; before the hour of eleven forty-five (11:45) A. M. the Debtor members shall pay to the Manager of the Clearing House balances against them in such funds, and in the manner provided in these By-Laws. Between the hours of eleven forty-five (11:45) o'clock and twelve (12:00), the Creditor members shall receive from the Manager, at the same place, the respective balances due to them, provided the balances due from the Debtor members shall then have been paid.

Checks and Vouchers to be Held in Trust.

Sec. 13. All checks or vouchers received by any member in the exchanges of any day shall remain the property of

the members why presented the same repectively at the Clearing House, and shall be held in trust only by the member so receiving the same until returned or the amount thereof actually paid, either to the Clearing House or to the member who presented the same as aforesaid. Should any member of the Association fail to pay to the Clearing House at the proper hour the balance against it, said defaulting member shall return to the Clearing House before one (1) o'clock P. M., without mutilation, all checks or vouchers received by them in the exchanges of that day, and all such checks or vouchers shall remain the property of members presenting the same at the Clearing House, and held in trust only, until they are returned, or the amount of same actually paid to the member of whom they were received, whereupon the other members shall immediately upon notice, return to the Clearing House all the checks or vouchers which said defaulting member may have presented to them in the exchanges

of that day. or pay the amount of same to the Clearing House, and the Manager shall adjust the settlement of balances accordingly.

IN CASE OF DEFAULT AND REFUSAL TO RETURN CHECKS OR VOUCHERS—BALANCES, HOW ADJUSTED.

Sec. 14. Should a member defaulting in the payment of balance due the Clearing House refuse to return the checks and vouchers, received by such member as provided in section thirteen (13) of these By-Laws, then in that case the amount due from such defaulting member shall be immediately furnished to the Clearing House by the several members exchanging at that establishment with the defaulting member, in proportion to their respective balances against that member, resulting from the exchanges of that day, and the Manager shall make requisitions accordingly, so that the general settlement may be accomplished with as little delay as possible. The respective amounts so furnished the Clearing House on account

of the defaulting member will of course constitute claims on the part of the several responding members, against that member, but as before stated the Association shall in no wise be responsible therefor.

Errors in Exchanges, or Claims Arising.

Sec. 15. Errors in the exchanges, and claims arising from the return of checks, or from any other cause, are to be adjusted directly between the members who are parties to them, and not through the Clearing House, the Association being in no way responsible in respect to them. But if any member on demand fails to immediately reimburse any other member for any such errors or claims of any kind arising out of the clearings of that day, the member making such demand shall at once notify the manager of the Clearing House. In case of failure to immediately adjust the difficulty, the matter shall be referred to the Clearing House Committee, and a settlement of the clearings shall be made under their direction.

Hours for Returning Checks Between Members.

Sec. 16. All items in morning exchanges, not found good, are to be returned the same day received before three (3) o'clock P. M., to the member from whom received, who shall immediately reimburse the holder of the same.

Applicatiof for Membership, and Privileges in Case of Reorganizing or Change of Name—Admitting of New Members and the Requirements of the Same.

Sec. 17. Application for membership shall be made to the Clearing House Committee, who shall examine the affairs of the applicant, and upon a favorable report from that Committee such applicant may be admitted a member of this Association on receiving the affirmative vote by ballot of three-fourths of the members of said Association, and certifying assent to the Articles of Incorporation and By-Laws in the same manner as the original members.

WITHDRAWING FROM ASSOCIATION.

Sec. 18. Any member of the Association may withdraw therefom at pleasure first paying its due proportion of all expenses incurred, and signifying its intention to withdraw to the Clearing House Committee.

EXPENSES OF THE ASSOCIATION, AND HOW ASSESSED.

Sec. 19. The expenses of the Clearing House shall be borne equally annually.

THE KIND OF MONEYS TO BE USED AND PAID TO CLEARING HOUSE VALUE OF SEALED PACKAGES GUARANTEED.

Sec. 20. All moneys paid to the Clearing House by the different members shall be paid in United States gold coin, legal tender notes, National Bank notes, or such Clearing House Certificates as shall be provided for by this Association. put up in such manner as the Clearing House Committee may direct.

STATEMENTS TO BE RENDERED TO THE ASSOCIATION BY ITS MEMBERS.

Sec. 21. Each member of this Association shall furnish the Manager, as often as five times yearly, a sworn statement of its condition, at such times as may be designated by the comptroller of the currency for statements from National Banks, and at such other times and of such dates as the Clearing House Committee may require. Said statements shall be made in the form and manner prescribed for above mentioned statements from National Banks. Such statements shall be open to the inspection of the members of this Association, but otherwise shall be held strictly confidential.

STAMP TO BE USED IN MARKING PAYMENT.

Sec. 22. All checks and other items on any member of this Association presented for payment through the exchanges only shall be stamped, by the bank presenting the same, with the words: "Paid through the Fargo Clearing House," with the date thereon in lieu of written endorsements; and the bank using such stamp thereby makes itself

responsible for all items so stamped by it, and for all informalities of endorsements thereon, as though their endorsements were written.

BUSINESS HOURS OF MEMBERS.

Sec. 23. The business hours of the different members of this Association shall be uniform, to be regulated from time to time, as occasion may require, by a three-fourths vote at any regular or special meeting of the Association, a quorum being present.

ATTENDANCE AT MEETINGS, AND PENALTY.

Sec. 24. All members are expected to be represented at regular or special meetings of the Association, and any member failing to be represented shall pay a fine of one dollar $1.00.

RECORD BOOK.

Sec. 25. These By-Laws shall be entered in a Book of Record (to be kept at the Clearing House) and signed by all the members after the words: "The foregoing By-Laws are hereby approved."

AMENDMENTS TO BY-LAWS.

Sec. 26. Amendments to the By-Laws may be made at any meeting of the Association, by a vote of three-fourths of all members thereof, notice of the proposed amendment having been given at a previous meeting, at least one week before.

RULES AND REGULATIONS.

1. The order of business at the meetings of the Association shall be as follows:

1. Calling of the Roll.
2. Reading the minutes of the last regular and subsequent special meeting.
3. Considering communications to the Association.
4. Reports of officers of the Association.
5. Reports of Committees.
6. Unfinished business.
7. Original resolutions and new business.

Scale of Fines.

2. All errors on the credit side of the settling clerk's statement; that is, in the amount brought, whether of footing or entry, - - - - - - $ .50

3. Errors in debit entries, - .50

4. All other errors, - - .50

5. Disorderly conduct of clerk or messenger at the Clearing House, or disregard of the Manager's instructions; each offense, 1.00

6. Any member failing to be properly represented punctually at the morning exchanges—

For the *first* five minutes or part thereof, - - - .50

For the *second* five minutes or part thereof, - - - .75

Over ten minutes late, - 1.00

7. Debtor members failing to pay their balances by the hour fixed for that purpose in the By-Laws, - - - - - - 1.00

8. Creditor members failing to attend for their balances by the hour fixed for that purpose in the By-Laws, - - - - - 1.00

9. Balances remaining at the Clearing House after the hour fixed by the By-Laws, shall be held by the Manager

at the risk of the members who have failed to call for them.

10. The work for clearing shall not be delayed longer than fifteen (15) minutes after the hour fixed for that purpose by the By-Laws, on account of the failure of any member to be represented by that time.

Twenty minutes from the time of commencing will be allowed for a proof.

For all errors remaining undiscovered at the expiration of one hour from commencing, the fines will be doubled, and at the expiration of one and a half hours the fines will be quadrupled.

Clerks will be required to conduct themselves in a quiet and orderly manner, to be attentive to their duties, and to remain at their desks while the proof is being made and until it is announced. Loud communications, conversation, or anything tending to create disturbance or confusion, will not be permitted.

11. All fines shall be collected by the Manager at once.

12. Any errors in the exchanges discovered by any member after clearings have been made, whether of debit or credit, shall be *immediately* reported to the member in whose exchanges the error is discovered.

13. Members returning vouchers received through the clearings shall attach a ticket to each item, stating the cause for such return and the name of the bank so returning.

14. *All currency* paid to the Clearing House by the different members of this Association (except large notes of fifty dollars and upward) shall be put up in packages of five hundred ($500) dollars each (when the amounts are sufficient); but no notes of a less denomination than five ($5) dollars shall be included. Such packages shall be securely bound with a paper band around the center, bearing the stamp of the member putting up such package, and date.

14. *All Gold Coin* paid to the Clearing House by the different members of this Association shall be put up in

strong canvas bags containing one thousand ($1,000) dollars each, securely fastened with twine or wire, and sealed in such a manner that in the opinion of the manager of the Clearing House the fastening cannot be sufficiently released to allow of the removal of any of the contents without mutilating the seal. such package to have a suitable label or tag, bearing the name of the sealing member, amount of contents and date of sealing.

15. The manager is authorized to require from members the signatures of such persons as are authorized to receipt for balances.

MEMBERS 1899.

First National Bank.
Red River Valley National Bank.
Merchants State Bank.
Fargo National Bank,

MSH 21123

END OF
TITLE